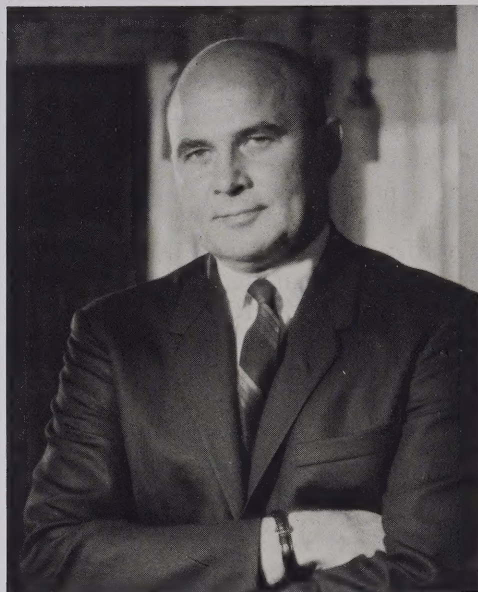
Boise Cascade
1971 Annual Report

Contents

The Annual Meeting of the shareholders of Boise Cascade Corporation will be held at 10:00 a.m. (Mountain Standard Time), Thursday, April 27, 1972, at the offices of the company, Boise, Idaho, pursuant to notice.

Financial Summary

	1971	1970
	(expressed in thousands)	
Sales and Services		
Timber and building materials	**$ 464,767**	$ 340,583
Paper and packaging	**500,261**	483,876
Manufactured and mobile housing	**239,587**	177,029
Engineering and construction	**317,858**	378,723
Realty	**180,932**	215,358
Utilities and miscellaneous investments	**82,465**	128,161
Total sales and services	**$1,785,870**	$1,723,730
Income (Loss)		
Timber and building materials	**$ 36,434**	$ 11,066
Paper and packaging	**29,763**	46,053
Manufactured and mobile housing	**12,012**	7,199
Engineering and construction	**(28,833)**	15,419
Realty	**(73,944)**	(14,260)
Utilities and miscellaneous investments	**9,886**	31,645
Operating income (loss)	**$ (14,682)**	$ 97,122
Corporate administration	**(22,267)**	(22,472)
Interest expense, net of interest income	**(25,321)**	(23,600)
Income taxes	**25,120**	(17,100)
Extraordinary charge	**(48,000)**	—
Net income (loss)	**$ (85,150)**	$ 33,950
Per Common Share		
Income (loss) per share		
Before extraordinary charge	**$(1.20)**	$1.08
Extraordinary charge	**$(1.54)**	—
Net income (loss) per share	**$(2.74)**	$1.08
Dividends declared		
Cash	**$ .25**	$ .25
Stock	**2%**	2%
Capitalization		
Long-term debt	**$ 506,836**	$ 497,166
Shareholders' equity	**$ 792,531**	$ 885,239
Other Data		
Capital expenditures	**$ 121,875**	$ 142,732
Number of shareholders	**70,269**	56,931



President's Message

Boise Cascade's performance reached a low point in 1971, as the result of problems which were described to you during the year. We sustained an operating loss for the first time in our 15-year history, and incurred an extraordinary charge stemming from our decision to discontinue or decrease our commitments to several businesses.

After tax effect, the results for the year were:

Operating loss $37,150,000 or $1.20 per share.
Extraordinary charge $48,000,000 or $1.54 per share.
Net loss $85,150,000 or $2.74 per share.

The decision to eliminate or scale down certain unprofitable or marginally profitable operations was made only after intensive study, and the actions we have taken are intended to reduce the negative effects which these operations have had on the company.

As part of the extraordinary charge taken against income in 1971, we wrote off our entire investment in the Burnett-Boise Corporation, a company formed in 1967 to perform urban construction. By providing financial assistance to this firm, we attempted to earn a profit and encourage minority enterprise. The venture, in which we had less than a 50-percent interest and which we did not manage, failed and has been dissolved.

The carrying values of some of the properties we no longer plan to develop into on-site homebuilding projects or recreation communities have also been written down. This reduction in realty values constitutes most of the balance of the extraordinary charge.

With the sales completed or pending, we have almost completely disengaged ourselves from on-site homebuilding. This business did not produce adequate returns on invested capital, and we are concentrating on the greater profit potential of our manufactured and mobile housing operations.

Our recreation communities business, which is being scaled back considerably, lost money for the second consecutive year. Several factors have adversely affected this operation. First, in response to the upsurge in environmental concern, we built additional ecological safeguards into our projects. We believe they meet exemplary environmental standards. Second, in line with long-range land-use planning goals, we are developing use-oriented communities, emphasizing high caliber leisure-living amenities. To date we have been unable to recover all of the increased costs of providing these amenities and ecological safeguards.

The extraordinary charge taken against 1971 income resulted from our decision to terminate or lessen our involvement in certain businesses; but it could not include the operating losses which were subsequently suffered by those businesses we are phasing out or scaling down.

We believe these operating losses peaked in the fourth quarter, with a substantial portion being attributable to the direct and indirect impact of the civil suit brought in October by the State of California against four of our recreation communities projects there. We believe this suit to be unwarranted and on March 6, 1972 the Superior Court of Contra Costa County issued a memorandum decision ruling sustaining our position on many important aspects of this suit. Nevertheless, adverse publicity which has been generated by the suit and related actions seriously affected sales and costs of this operation, thereby making it prudent to establish additional reserves for potential losses.

During the year we also sustained sizable losses in Power Line Erectors and Tyee Construction Company, two operations we are discontinuing and, as the result of information obtained during the final period of 1971, considered it advisable to increase the reserves previously established against potential claims, contract and other

losses in several of our other engineering and construction subsidiaries.

Approximately $100 million of the operating and extraordinary losses, before tax effect, for the year did not have an impact on our cash resources for 1971.

The operating losses incurred in businesses we are discontinuing or reducing nullified the positive results achieved in 1971 by our basic businesses — timber and building materials, manufactured and mobile housing, paper and packaging and certain segments of engineering and construction.

Last year, timber and building materials capitalized on the surge in residential construction to achieve near-record sales and profits.

The high level of homebuilding also combined with an increase in our production capacity to generate increased sales and profits for our manufactured housing and mobile home operations.

Due to some unfavorable contracts and a lack of industrial and commercial building, 1971 was a disappointing period for several of our engineering and construction subsidiaries. With the exception of Ebasco Services, Vernon Graphics and W. A. Chester, which produced good profits, the other engineering and construction companies performed poorly. Chemical Construction Corporation and Walter Kidde Constructors were hit hard by a lack of new business, and because previously awarded contracts were canceled by customers who called off capital expansion plans.

Our paper and packaging businesses were hampered last year by a tepid economy, strikes at three different facilities and the 10 percent surcharge that was placed on certain products entering the U.S. from Canada. Yet, while results did not compare favorably with 1970, operating efficiencies permitted our paper and packaging operations to perform well in light of industry conditions.

These businesses form the nucleus of our company. And while they are subject to certain negative seasonal and economic conditions from time to time, they are sound businesses, well positioned in the markets they serve and have good profit potentials in 1972 and beyond.

In enumerating the company's strengths, our asset base, which includes approximately two million acres of fee-owned timberlands, ranks high on the list. We also control, under long-term harvesting rights, an additional five million acres of woodlands.

During the past five years we have spent more than $500 million, including $122 million in 1971, to expand and improve our basic businesses. Lumber and plywood manufacturing capacity has been increased 52 percent, pulp and paper 80 percent, and manufactured and mobile home capacity 80 percent. In addition, we have spent more than $40 million for pollution control programs during the same period.

Several important financings were completed during the year and provided approximately $100 million. These funds have an average maturity of 21 years. In addition, a $200 million revolving credit loan to our realty operations was successfully negotiated in the spring. Substantially all of the proceeds from this loan were used to reduce the company's reliance upon short term borrowings. Our needs for additional external financing will be relatively small this year.

Long-term debt, net of current portion, increased to $507 million from $497 million in 1970. This increase, when coupled with our loss for the year, caused our debt to equity relationship to increase from 56 percent to 64 percent. We plan to improve this relationship.

We also paid our fourth consecutive annual two percent stock dividend in 1971. In addition, we paid cash dividends of 25¢ per share on our common shares and $3.00 on preferred shares.

We have received from Chile a portion of the interest due February 22, 1972 on notes totaling approximately $75 million. The notes are payable semi-annually in installments of approximately $1,566,000 plus six percent interest. The principal payment due the same date was not paid. Following discussions with the agency responsible for payment, we have been assured that Chile intends to honor its obligation, but we have been asked to negotiate a revised payment schedule for the 1972-74 installments.

We still have two unresolved problem areas in 1972. They are the future of our recreation communities activities in California and also certain Latin American situations.

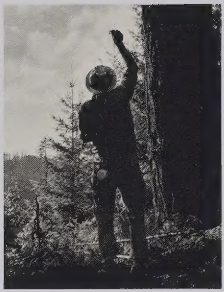
Despite these questions, the outlook for Boise Cascade this year is improved because we expect to experience the positive effects of the actions we have taken to eliminate the drain on the earning power of our basic businesses. In addition to the sales of realty assets being accomplished, substantial progress has also been made in disposing of other operations which encumbered our profitability or did not fit our long-range strategy. Sales of development property, on-site housing projects and miscellaneous other business assets totaling approximately $115 million in cash and notes have been completed or are pending.

In 1972, funds made available by the discontinuance or reduced level of some operations will be used to repay debt or to reinvest in more profitable businesses.

The strong 1971 performances of our timber, building materials, mobile and manufactured housing and Ebasco Services operations were nullified by severe reverses we incurred. However, prospects now look even better for these businesses in 1972, and additionally we note signs of a strengthening market in our paper and paper-related activities. By reason of strong measures completed or initiated during 1971, including divestitures, liquidations, reserves established against potential losses, and operating economies effected, Boise Cascade anticipates considerably better operating results in 1972.

R. V. Hansberger,
President and Chairman

Timber and Building Materials



The more than seven million acres of timberlands we own or control under long-term cutting rights provide a solid raw material base for the manufacturing of building products and paper. These timberlands, which are located in the U.S., Canada, the Philippines and Colombia, contain 14 billion board feet of saw logs and 59 million cords of pulpwood.

Sales for the Timber and Building Materials Group in 1971 were $465 million, or 26 percent of the company's total sales volume during the same period. In providing building products to the active homebuilding industry, the group approached record levels in 1971, and is expected to continue to perform well this year.

Our Wood Products Division manufactured and marketed 912 million board feet of lumber and 2.348 billion square feet of other wood products.

During 1971, the division began operating a new plywood mill in Idaho, and a lumber mill and veneer plant in Oregon. It also doubled the capacity of a particleboard plant in Oregon and a plywood plant in Washington.

This year, startups are scheduled for a new particleboard plant in California, as well as a plywood veneer mill in Oregon.

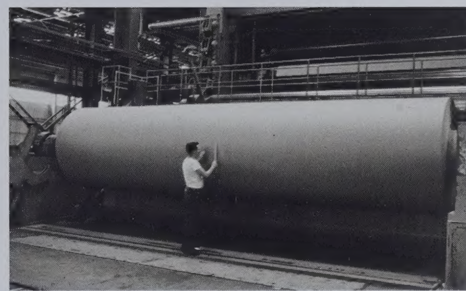
Overseas in 1971, the division began construction of a new 130,000 square-foot-capacity plywood plant in Singapore, which will open this year. The company has a 65 percent interest in the plant, and our partner is the Development Bank of Singapore.

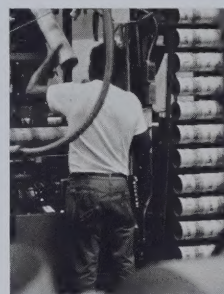
The Building Materials and Services Division operates 46 builder service centers and wholesale distribution branches from coast to coast. In 1971, division sales of lumber, plywood, particleboard, fiberboard, paneling, fabricated housing components and other products exceeded the previous year by 43 percent.

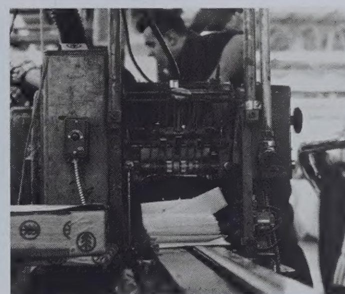
The fundamental strength of this distribution operation is the result of a restructuring process, evolved over several years, in which small, inefficient lumber yards have given way to strategically located distribution centers offering a wide range of building materials and pre-manufactured building components.

This division added a builder service center in North Carolina and one in California during 1971; and it acquired Raygold Corporation, a manufacturer of kitchen and bathroom cabinets with four plants in West Virginia.

Paper and Packaging







Boise Cascade is well represented in the paper and packaging market by three operating groups: paper, packaging, and business products and services. Together in 1971 they accounted for sales of $500 million, or 28 percent of the company's total revenue for the year.

The demand for paper and related products is tied closely to the general economy, although it tends to lag both downturns and upturns by several months. As a result of the economic slump which began in mid-1970 and extended into much of last year, our paper and packaging operations performed below levels established in 1970. The economy began to recover late in 1971, and should the upward momentum continue, we expect the results from these businesses to improve.

The Paper Group produces newsprint, containerboard, pulp, specialty paperboard and printing, converting and business papers at 13 mills in the U.S., Canada, Guatemala and the Philippines.

Major events for this group during 1971 included the startup of a new 500-ton-per-day bleached kraft mill in Canada, the continuation of a pollution abatement program costing $16 million last year alone and the closing of an outmoded specialty paperboard mill. In addition, the pulp and paper mill at DeRidder, Louisiana, which we own jointly with Southern Natural Gas Company, completed its first full year of operation, and is performing up to expectations.

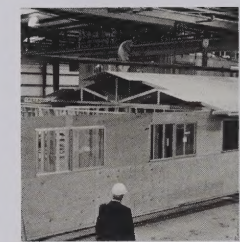
We serve the packaging market through 18 composite can plants nationwide, 20 corrugated container plants in the U.S. and Austria, 7 envelope plants and 4 bag plants in the U.S., Costa Rica and Guatemala.

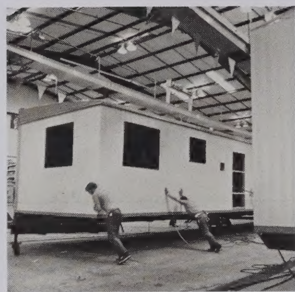
The Composite Can Group scored a packaging breakthrough in 1971 by successfully developing and test marketing a fibre-foil coffee can.

Our Business Products and Services Group merchandises a wide range of office supplies and furniture throughout the mainland U.S. and Hawaii.

As part of our plan to eliminate unprofitable and non-strategic operations, we sold Willson Business Services, which operates a chain of office supply stores in Canada; sold a specialty packaging business; shut down a corrugated container plant; sold a small plastic products operation; and closed another.

Manufactured and Mobile Housing





Spurred by the highest level of residential construction in more than two decades, our manufactured housing and mobile home operations combined to register record sales of $240 million in 1971, or 13 percent of the company's total sales during the year.

The Manufactured Housing Group sold 10,200 panelized and sectionalized housing units throughout its 44-state marketing area. To keep pace with growing demand, a new manufactured housing plant was built in Oklahoma in 1971, and an existing facility in Alabama was enlarged. This year the group's eleventh manufacturing plant will be opened in Pennsylvania.

The group also serves the needs of light industries through its Metal Buildings Division, which shipped a record number of pre-engineered metal buildings from plants in Alabama and Ohio last year.

Also during 1971, the group was awarded a contract to produce 244 prototype housing units for Phase II of the Federal government's "Operation Breakthrough" program.

The Mobile Home Division produces single and double-wide units at 24 plants in the U.S., Canada and England.

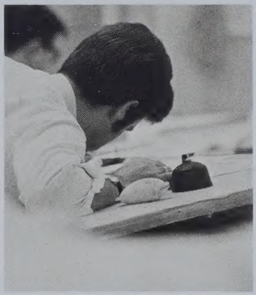
During the year we sold 22,700 units, a gain of 31 percent over 1970. This increase is due in part to the expansion of our nationwide dealer network and to the alteration of our product line, which now offers a broader range of mobile homes.

Our innovations in product design and engineering were recognized in 1971 by YOUNG LIVING, a publication of BETTER HOMES and GARDENS, which selected our Pan American model as "Mobile Home of the Year."

Anticipating even stronger markets in the future, the Mobile Home Division opened two additional plants last year in Georgia and Canada.

Our Recreational Vehicle Division manufactures travel trailers, truck campers and motor homes at 10 plants in the U.S., Canada, England, France, Sweden and The Netherlands. Sales of these products, which in the U.S. carry the brand names of Aristocrat, Lifetime and Corsair, reached 50,500 units in 1971; up from 40,400 in 1970.

Engineering and Construction



The engineering and construction market is served by six operations: Ebasco Services, Chemical Construction Corporation (Chemico), Power Line Erectors, W. A. Chester, Vernon Graphics and Walter Kidde Constructors (Kidde). The combined revenues of these operations in 1971 totaled $318 million, or 18 percent of the company's overall sales for the year.

Last year the profit performances of these businesses varied sharply:

Ebasco Services, which engineers and constructs electric power facilities worldwide, was highly successful and ended 1971 with one of the largest backlogs of orders in its history.

However, the profitable performance of Ebasco Services was more than offset by large losses incurred by Chemico, Kidde and principally Power Line Erectors.

Chemico designs and builds pollution control equipment, as well as production facilities for the chemical, fertilizer and natural gas industries. This operation was hurt by high research and new business development costs, and by the depressed economic climate which caused customers to cancel contracts for capital programs. Chemico's results should improve in 1972 as costs and contracted work become more closely aligned. Federal Power Commission action on the import of liquid natural gas into the U.S. from Algeria will be an important factor in 1972 results. If the final decision, expected this year, is favorable, Chemico can begin work on a $300 million contract to construct a liquefied natural gas plant in Algeria.

Kidde designs, engineers and constructs industrial and commercial buildings. Like Chemico, it was affected by the lack of industrial and commercial construction in 1971. Several major contracts which had been awarded Kidde were canceled because customers were unwilling to proceed in the face of the slow economy.

Power Line Erectors and its subsidiary, Tyee Construction, which install electrical transmission and distribution lines, suffered a sizable deficit as losses on contracts from previous years were absorbed in 1971. We have almost completely eliminated this subsidiary's unprofitable overhead transmission line business, and through W. A. Chester, are concentrating on the installation of underground transmission lines, a business which has consistently demonstrated its good earning power.

Realty

Our realty operations, which reported sales in 1971 of $181 million or 10 percent of the company's sales, were redirected in 1971.

We are reducing our commitment to the development of recreation communities. Of our projects, 15 are in the waning stage (either nearly sold out or in the process of being turned over to their respective property owners' associations), eight are fully active, and five have been deferred indefinitely.

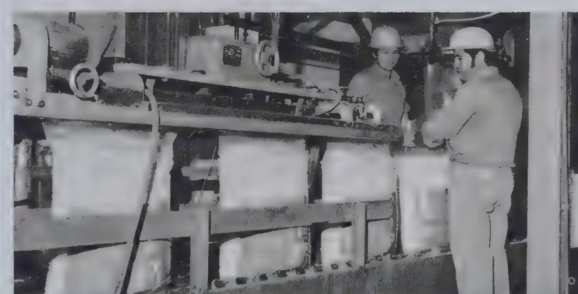
Our active projects are use-oriented communities. These communities will offer a full range of recreational programs, ready-to-occupy vacation housing packages and, in many cases, rental condominiums and other overnight accommodations. The newest of these projects is Waikoloa, on the big island of Hawaii.

In 1971, we announced that we would discontinue our on-site homebuilding business. Since that time we have made substantial progress in eliminating our involvement in this area.

We also curtailed our urban housing activities. Existing developments are being completed and no new projects are contemplated.

During the year, our Mobile Home Communities Division discontinued the development of projects for speculative sales and is now concentrating on providing prospective mobile home park owners with design, engineering, marketing, general contracting and management services.

Latin American Investments and Other Markets



Latin American Investments

Income from utilities and other investments in 1971 was significantly less than in 1970 mainly because of several factors: we sold our portfolio of marketable securities in the second quarter, reducing income from that source; our Latin American utilities performed less satisfactorily last year; we suffered foreign exchange losses in Argentina; and did not have the benefit of income from the Chilean utility, which was sold in 1970.

At the end of 1971, our net investment in Latin America was $317 million, including $238 million in notes and bonds.

We are continuing negotiations begun in 1971 to sell our Guatemalan utility to the government of that country, and have also been negotiating with the government of Panama to improve our existing operating contract.

Communications and Education

Communications-Research-Machines (CRM), our education and communications subsidiary, publishes the popular magazine PSYCHOLOGY TODAY.

During 1971, CRM acquired INTELLECTUAL DIGEST and transformed this little known publication into a magazine with a guaranteed rate base of 400,000. It also introduced three additional college textbooks and completed its first educational film series.

CRM's unprofitable Consumer Division which markets posters, games and general reading books, was partially phased out in 1971.

Statements of Income

Boise Cascade Corporation and Subsidiaries

	Year Ended December 31 1971	1970
	(expressed in thousands)	
Revenues		
Sales and services	**$1,785,870**	$1,723,730
Interest and other income	**47,010**	57,790
	$1,832,880	$1,781,520
Costs and Expenses		
Costs of sales and services	**$1,510,474**	$1,382,810
Depreciation and depletion	**50,818**	50,038
Selling and administrative expenses	**269,636**	241,237
Interest expense	**64,222**	56,385
	$1,895,150	$1,730,470
Income (loss) before income taxes and extraordinary charge	**$ (62,270)**	$ 51,050
Income Taxes		
Current	**$ 38,580**	$ 18,930
Deferred	**(63,070)**	1,220
Investment credit	**(630)**	(3,050)
	$ (25,120)	$ 17,100
Income (loss) before extraordinary charge	**$ (37,150)**	$ 33,950
Extraordinary Charge (Note 2)	**$ (48,000)**	$ —
Net Income (Loss)	**$ (85,150)**	$ 33,950
Per Share (Note 1)		
Income (loss) before extraordinary charge	**$(1.20)**	$1.08
Extraordinary charge	**(1.54)**	—
Net income (loss)	**$(2.74)**	$1.08

The accompanying notes are an integral part of these statements of income.

Statements of Changes in Financial Position

Boise Cascade Corporation and Subsidiaries

	Year Ended December 31 1971	1970
	(expressed in thousands)	
Working Capital Provided from Operations		
Income (loss) before extraordinary charge	**$ (37,150)**	$ 33,950
Items in income not affecting working capital		
Depreciation and depletion	**50,818**	50,038
Deferred income taxes	**(63,070)**	1,220
Realty operations (see below)	**80,245**	26,171
Total before extraordinary charge	**$ 30,843**	$ 111,379
Extraordinary charge	**(48,000)**	—
Items in extraordinary charge not affecting working capital		
Realty operations (see below)	**32,182**	—
Other non-current assets	**24,549**	—
Deferred income taxes	**(9,393)**	—
Total after extraordinary charge	**$ 30,181**	$ 111,379
Other Changes in Financial Position		
Long-term borrowing	**110,695**	128,152
Proceeds from foreign government notes and bonds	**9,926**	23,871
Sales and retirements of property and equipment	**7,315**	10,694
Capital expenditures		
Property and equipment	**(113,226)**	(98,451)
Timber and timberlands	**(8,649)**	(44,281)
Payments and current maturities of long-term debt	**(99,021)**	(41,829)
Realty operations (see below)	**(8,982)**	(4,604)
Cash dividends	**(7,925)**	(7,687)
All other, net	**4,402**	(3,608)
Increase (decrease) in working capital	**$ (75,284)**	$ 73,636

Increases (Decreases) in Working Capital		
Cash and marketable securities	**$ (18,811)**	$ 12,388
Receivables and unbilled revenues	**(6,298)**	12,736
Inventories	**3,792**	24,102
Notes payable and current portion of long-term debt	**(31,154)**	(6,016)
Accounts payable and accrued liabilities	**(22,813)**	30,426
Increase (decrease) in working capital	**$ (75,284)**	$ 73,636

Changes Resulting from Realty Operations (Note 3)

Funds Used by Realty Operations		
Loss before extraordinary charge	**$ (30,678)**	$ (13,162)
Items in income not affecting funds		
Depreciation	**1,889**	2,504
Deferred income taxes	**(51,456)**	(15,513)
Total before extraordinary charge	**$ (80,245)**	$ (26,171)
Extraordinary charge	**(17,185)**	—
Deferred income taxes applicable to extraordinary charge	**(14,997)**	—
Total after extraordinary charge	**$(112,427)**	$ (26,171)
Decrease (increase) in inventories, net of estimated completion costs	**46,716**	(60,557)
Increase (decrease) in other liabilities, net of other assets	**35,396**	(10,080)
Increase in receivables exclusive of receivables sold	**(30,258)**	(53,601)
Total used by operations	**$ (60,573)**	$(150,409)
Financing Changes		
Proceeds from sales of receivables	**56,600**	—
Borrowing under revolving credit agreement	**200,000**	—
Issuance of 10% debentures	**—**	75,000
Increase (decrease) in other notes payable	**(205,009)**	70,805
Total realty operations	**$ (8,982)**	$ (4,604)

The accompanying notes are an integral part of these statements of changes in financial position.

Boise Cascade Corporation and Subsidiaries

Assets	1971	December 31 1970
	(expressed in thousands)	
Current		
Cash	$ 78,941	$ 47,245
Marketable securities, at cost	—	50,507
Receivables and unbilled revenues, less reserves of $5,030,000 and $2,630,000	214,838	221,136
Inventories, at lower of cost or market (Note 1)	194,928	191,136
	$ 488,707	$ 510,024
Realty (Note 3)		
Receivables, less discounts of $9,048,000 and $10,153,000 and reserves of $29,161,000 and $18,598,000	$ 312,639	$ 338,981
Inventories, at lower of cost or market	144,113	351,099
Assets held for sale, at estimated realizable value	158,939	—
Other realty assets	28,582	47,002
	$ 644,273	$ 737,082
Property		
Property and equipment, at cost	$ 916,949	$ 836,944
Accumulated depreciation (determined principally by the straight-line method)	(337,785)	(312,348)
	$ 579,164	$ 524,596
Timber and timberlands, at cost less depletion	$ 123,777	$ 118,032
Other		
Foreign government notes and bonds (Note 4)	$ 237,595	$ 247,521
Investment reserve (Note 5)	(42,356)	(40,140)
Investments in joint ventures, affiliated companies, and other investments (Note 1)	76,053	91,622
Other assets	86,871	92,340
	$2,194,084	$2,281,077

Liabilities	December 31 1971	1970
	(expressed in thousands)	
Current		
Notes payable	$ 53,946	$ 26,208
Current portion of long-term debt	35,221	31,805
Accounts payable and accrued liabilities	212,892	190,079
	$ 302,059	$ 248,092
Realty (Note 3)		
Notes payable	$ 417,357	$ 422,366
Estimated costs to complete real estate projects	73,848	84,683
Deferred income taxes	—	37,703
Other realty liabilities	79,652	51,283
	$ 570,857	$ 596,035
Debt		
Long-term debt, less current portion (Note 6)	$ 506,836	$ 497,166
Other		
Deferred income taxes	$ 5,790	$ 40,550
Minority interests in subsidiaries	16,011	13,995
Shareholders' Equity (Note 7)		
Preferred stock	$ 5,543	$ 5,544
Common stock	77,881	76,173
Additional paid-in capital	400,648	386,997
Retained earnings	308,468	416,656
Treasury stock, at cost	(9)	(131)
	$ 792,531	$ 885,239
	$2,194,084	$2,281,077

The accompanying notes are an integral part of these balance sheets.

Statement of Shareholders' Equity

Boise Cascade Corporation and Subsidiaries

Common Shares Outstanding		Total Shareholders' Equity	Preferred Stock (Note 7)	Common Stock (Note 7)	Additional Paid-In Capital	Retained Earnings (Note 7)	Treasury Stock
				(expressed in thousands)			
	Balance at December 31, 1970						
30,368,088	As previously reported	$889,931	$5,544	$75,930	$386,882	$421,706	$(131)
96,939	Changes resulting from poolings of interests	597		243	115	239	
	Cumulative effect of accounting changes and prior period adjustment (Note 1)	(5,289)				(5,289)	
30,465,027	As restated	$885,239	$5,544	$76,173	$386,997	$416,656	$(131)
	Net Loss	(85,150)				(85,150)	
	Cash Dividends Declared						
	Common stock at $.25 per share	(7,669)				(7,669)	
	Preferred stock at $3.00 per share	(256)				(256)	
589,992	**Common Stock Dividend** (2%)	(437)		1,475	13,201	(15,113)	
72,207	**Stock Options Exercised,** averaging $24.51 per share	1,770		180	1,590		
22,075	**Issued for Purchased Companies**	1,029		55	974		
2,561	**Other Transactions**	(1,995)	(1)	(2)	(2,114)		122
31,151,862	**Balance at December 31, 1971**	$792,531	$5,543	$77,881	$400,648	$308,468	$ (9)

The accompanying notes are an integral part of this statement of shareholders' equity.

1. Basis of Presentation

Consolidation The financial statements include the accounts of the Company and all subsidiaries in which it holds a majority interest. For investments in which less than a majority interest is held, but management control or significant influence exists, the investment is carried at cost adjusted to recognize the Company's share of earnings or losses from the respective dates of acquisition. Such adjustment is included in "Interest and other income" in the statements of income (see Accounting Changes and Prior Period Adjustment). The investment is reduced when dividends are received. Other investments are carried at cost unless a permanent decline in value is deemed to have occurred. At December 31, 1971, the carrying amount of investments in joint ventures and affiliated companies exceeded underlying book value by $7,180,000. Substantially all of this amount is being amortized over periods not exceeding forty years.

Business Combinations During 1971, in exchange for the businesses and net assets of other companies, the Company issued 96,939 shares of common stock in transactions accounted for as poolings of interests and 22,075 shares of common stock and $1,881,000 in cash and notes in transactions accounted for as purchases. Accordingly, the financial statements have been restated from January 1, 1970, to include the accounts and operating results of pooled companies, whereas for purchased companies, the accounts and operating results are included from their respective dates of acquisition. Operating results of such companies for the years ended December 31, 1971, and 1970, are not significant in relation to the accompanying financial statements. Any unallocated excess of cost over book value of companies purchased in 1971 is being amortized over periods not exceeding forty years.

Accounting Changes and Prior Period Adjustment In 1971, the Company began valuing certain of its log and lumber inventories at average cost whereas formerly the Lifo cost method was used. Also in 1971, the Company adopted the equity method of accounting for investments in affiliated companies in which less than a 50% interest is held and management control or significant influence exists.

In the opinion of management, use of the average cost inventory method will more clearly reflect the operating results of the Company. The effect of this change has been retroactively applied and increased 1971 and 1970 earnings by $910,000 and $256,000 or $.03 and $.01 per share, respectively.

The recording of the Company's equity in the earnings of less than 50% owned affiliated companies has also been retroactively applied. As a result of this change, 1971 and 1970 earnings were decreased by $381,000 and $1,945,000 or $.01 and $.06 per share, respectively.

Certain of the Company's foreign and domestic tax returns for prior periods are under review and various potential deficiencies have been proposed. Such potential deficiencies, aggregating $8,000,000, have been charged to retained earnings. Of that amount, $910,000 or $.03 per share has been included in the 1970 statement of income.

Other restatements, none of which affected income, have been made to the 1970 financial statements, where appropriate, to provide comparability with the 1971 presentation.

Foreign Operations Current assets and current liabilities of foreign subsidiaries have been translated to U.S. dollars at rates of exchange in effect at the balance sheet dates and the remaining accounts have been translated at appropriate historical exchange rates. Statements of income have been translated at exchange rates effective during the periods covered. Net income from foreign sources, excluding Canada, was $15,723,000 for the year ended December 31, 1971, and $15,363,000 in 1970. The Company's net investment in foreign countries, excluding Canada, was $341,951,000 at December 31, 1971, and $345,150,000 at December 31, 1970.

Revenue Recognition Revenue from sales of manufactured products is recognized upon passage

of title to the customer which generally coincides with physical delivery and acceptance. Revenue from long-term engineering and construction contracts is recognized on the percentage-of-completion basis and losses are recognized in full when they are identified.

A sale is recognized in recreation community projects when a cash down payment of at least 10% on the principal amount has been received and a formal contract has been executed. When an installment note is received in lieu of full cash payment, revenue is reduced by discounting the receivable to yield two percentage points in excess of the prime commercial rate, or 9%, whichever is greater. Sales of residential community projects are generally financed through third parties.

Land costs and other common project improvement costs are allocated to each recreation and residential community sales unit on the basis of estimated relative sales values of the units. Included in such common costs are property taxes and pre-operating expenses.

Income Taxes Taxes are provided for all items included in the statements of income regardless of the period when such items are reported for tax purposes. Income tax benefits on the portion of the 1971 losses which will be deductible in future years for income tax purposes are provided at rates approximating expected future realization of such benefits. This, coupled with the Company's utilization of capital gain rates on timber removal, gives rise to effective income tax rates that differ from the prevailing corporate rate. The principal items that result in timing differences for financial and tax reporting purposes are depreciation methods, income recognition on installment sales contracts and the writedown of assets to estimated realizable value. Investment tax credits are recognized in the year the assets that give rise to the credits are placed in service.

Net Income Per Share Net income per share is based on the total of the average shares of common stock actually outstanding during the periods, and in 1970, the shares of common stock issuable upon exercise of stock options outstanding. In 1971, to assume the exercise of stock options outstanding would not be dilutive and is therefore excluded.

2. Extraordinary Charge

In 1971, the Company decided to reduce its commitment to its realty operations. The residential communities, mobile home communities, urban housing, and a major segment of the recreation communities operations will be sold, liquidated or otherwise phased out. As a result of this decision, various undeveloped properties and certain other realty assets have been written down to their estimated realizable values. No provision has been made for actual or imputed future interest costs associated with carrying the investments in these operations. In addition, the minority investment in Burnett-Boise Corporation, a construction company involved in urban development work, was written off because of the decision to terminate operations. Provision has been made for the costs of completing the contracts remaining and for liquidation expenses.

The extraordinary charge before income tax benefits consists of $37,000,000 related to Burnett-Boise Corporation, $34,000,000 related to realty operations and $7,000,000 related to other divestitures and liquidations. Of the $30,000,000 of income tax benefits resulting from this charge, $21,000,000 is current and $9,000,000 is deferred.

3. Realty

Operations The Company's realty subsidiary differs from its other operations in that it carries a higher ratio of debt to investment and has a business cycle extending over several years. Accordingly, all the assets and liabilities of this subsidiary are presented under separate "Realty" captions. At December 31, 1971, and 1970, the Company's net investment in its realty subsidiary was $73,416,000 and $141,047,000, respectively. In addition, the Company has guaranteed $142,396,000 of the realty subsidiary's notes payable.

Receivables Realty receivables, of which $50,524,000 is due in 1972, have an effective interest rate averaging 8.1%.

Assets Held For Sale As discussed in Note 2, the Company has decided to discontinue a major portion of its realty operations. Accordingly, the assets of operations that are to be discontinued are included in the caption "Assets held for sale." The remainder of the realty assets represent continuing realty businesses.

Notes Payable Realty notes payable consist of the following:

	December 31 1971	1970
	(expressed in thousands)	
Debentures, 10%, due in 1975	$ 75,000	$ 75,000
Revolving credit agreements, unsecured, with interest at ½% over the prime rate (5.75% at date indicated), convertible to term notes payable in sixteen equal quarterly installments commencing on April 1, 1974	200,000	—
Other notes payable, of which $75,517,000 is secured by realty assets of $122,801,000, with interest rates averaging 7.6% and 7.7%, with $64,015,000 becoming due in 1972	142,357	347,366
	$417,357	$422,366

Contingent Liability During 1971, the Company sold $56,600,000 of realty receivables to various financial institutions of which $45,483,000 was sold with recourse. At December 31, 1971, the Company was contingently liable in the amount of $45,041,000 for receivables which were sold with recourse. The portion due in 1972 is approximately $7,036,000. Reserves for doubtful accounts include an amount for possible losses on such receivables.

Litigation Three subsidiaries of the Company are defendants in a civil suit brought by the State of California in October, 1971, involving alleged misrepresentations in connection with the sale of lots in four recreation community projects in Calaveras County, California. The suit seeks an injunction against certain sales practices in future sales of real property in the State of California. It also seeks civil penalties in the amount of $2,500 for each past alleged misrepresentation, $1,000,000 exemplary damages from each defendant, and restitution to all purchasers who purchased real property based on such alleged misrepresentations. On March 6, 1972, the superior court which has jurisdiction over this suit handed down a memorandum decision which sustained in several important respects the Company's position in this suit. The court's ruling found, in effect, that the State's attorneys had exceeded their authority in seeking exemplary damages and in seeking restitution on behalf of purchasers. The court also ruled that the State's complaint was too uncertain in its allegations. The complaint can be dismissed in 30 days unless it is amended within that period to conform to the requirements of California law.

In addition, the Company or its subsidiaries are defendants in five class action suits involving recreation community projects in California and Nevada, the allegations of which are similar to those in the suit brought by the State of California. Total sales in those projects which are named in the six lawsuits amounted to approximately $350,000,000.

This litigation has increased the difficulties of implementing the Company's plans to discontinue certain of its recreation community projects in California and to realize its investment in related receivables and inventories. The ultimate outcome of this litigation and the effect thereof on the Company cannot be determined at this time.

4. Foreign Government Notes and Bonds

Utility properties have been sold in previous years to foreign governments for a combination of cash and long-term notes and bonds receivable in U.S. dollars.

The notes and bonds, which bear interest at an average rate of 6.4%, consist of the following:

	December 31 1971	1970
	(expressed in thousands)	
Argentina	$ 6,966	$ 10,449
Brazil	125,417	127,093
Chile	75,146	78,279
Colombia	21,537	22,823
Costa Rica	8,529	8,877
	$237,595	$247,521

Scheduled collections average $10,101,000 per year through 1976, with lesser amounts due thereafter through 2009. Substantially all proceeds from the Argentine securities must be reinvested in Argentina as received.

The semiannual payment of $1,566,000 due February 22, 1972, from an agency of the Chilean government was not received. However, one-half of the $2,254,000 interest due was collected, with the remainder to be collected in 60 days. Discussions are being held on a revised payment schedule.

5. Investment Reserve
The Company has an investment reserve to absorb losses related to the disposition of investments in foreign government notes and bonds (see Note 4) and public utility companies located in Panama, Guatemala, and Ecuador. Losses which are incurred from dispositions of these investments are charged against the investment reserve and related tax benefits are credited to the reserve when realized. During 1971 and 1970, respectively, the reserve was charged with $490,000 and $3,385,000 of losses and credited with $2,706,000 and $2,719,000 of realized tax benefits.

It is not presently possible to determine future losses, if any, which ultimately may be incurred from the disposition of foreign utility properties and foreign government notes and bonds, representing a net investment of $315,238,000 at December 31, 1971, but management believes that the investment reserve will be adequate to absorb such losses. The Company is currently negotiating with the government of Guatemala for the sale of the utility company in that country.

6. Long-Term Debt
Long-term debt is as follows:

	December 31 1971	1970
	(expressed in thousands)	
Revolving credit agreements:		
Various European banks, with interest at 1% over Interbank Eurodollar rate (9.75% and 9.5% at dates indicated)	$ 54,000	$ 54,000
Various domestic banks, with interest at ¼% over the U.S. prime rate (7% at date indicated)	—	40,000
Notes payable to banks and other financial institutions, with interest rates averaging 7.0% and 6.2%	299,902	233,256
Debentures, subordinated to other long-term debt, with interest at 4.8%	38,757	38,757
Debentures, with interest rates averaging 5.7%	73,154	75,821
Subordinated notes, convertible to common stock at an average of $29.51 per share through 1980, with interest rates averaging 6.4%	14,425	14,425
Lease-purchase obligations, with interest rates averaging 5.9% and 6.1%	16,121	17,212
Other long-term debt, with interest rates averaging 6.1% and 6.7%	45,698	55,500
	$542,057	$528,971
Less current portion	35,221	31,805
	$506,836	$497,166

Payments on these obligations are $86,268,000 in 1973, $29,777,000 in 1974, $31,268,000 in 1975, $26,079,000 in 1976 and lesser amounts thereafter through 1991, except for approximately $47,000,000

which is payable in 1987. In addition, $43,088,000 is payable in 2030. All long-term debt is unsecured except for approximately $77,000,000 which is secured by $103,000,000 of property and equipment.

7. Shareholders' Equity

Preferred Stock At December 31, 1971, and 1970, there were 85,284 and 85,285 Series A shares outstanding, respectively, of the 10,000,000 shares authorized. The unissued shares may be issued with such voting rights, dividend rates, conversion privileges, sinking fund requirements and redemption prices as the Board of Directors may determine, without action by the shareholders. Each share of the Series A is without par value, is entitled to one vote and an annual dividend of $3.00 (cumulative), is callable at $65 after September 1, 1974, is entitled to a preference of $65 in liquidation and is convertible at any time to approximately .85 share of common stock.

Common Stock At December 31, 1971, there were 50,000,000 shares ($2.50 par value) authorized, 31,151,862 shares outstanding, and 562 held in the treasury. A total of 1,420,878 shares are reserved for the following: 488,756 shares for conversion of convertible subordinated notes, 72,403 shares for conversion of Series A preferred stock and 859,719 shares for issuance under stock option programs, including 415,171 shares exercisable at an average price of $54.32 under options outstanding. Options on 5,100 shares were granted during 1971 at a price of $47.67 per share. Options are granted at the market value at date of grant.

On March 10, 1971, in lieu of options granted since January 1, 1968, the Company granted new options to purchase the same number of shares to each option-holder who was not a director of the Company. The exercise prices of the new options are the same as those of the retired options, which range from $47.67 to $67.37 per share, except that upon the date the retired options would have expired, the options under the 1971 grant become exercisable during the remainder of the new option's term at $43.14 per share through March 9, 1976.

Retained Earnings The terms of certain note agreements restrict the payment of cash dividends on common stock. The amount of retained earnings not so restricted was approximately $39,240,000 at December 31, 1971.

8. Retirement and Pension Plans

The Company has several retirement and pension plans covering substantially all employees. At December 31, 1971, unfunded prior service costs were approximately $45,416,000 and are being amortized over periods of up to forty years. The provision for pensions which includes amortization of prior service costs was $7,635,000 in 1971 and $6,001,000 in 1970. During 1971, additional benefits were granted under the plans and certain foreign operations were included. This resulted in increased pension costs and an increase of approximately $24,000,000 in unfunded prior service costs. The Company funds substantially all pension costs provided. At December 31, 1971, the actuarially computed value of vested benefits exceeded the total assets, at market value, of the pension funds and balance sheet accruals by approximately $8,806,000.

9. Commitments and Contingent Liabilities

The Company has a 50% interest in Boise Southern Company, an unincorporated joint venture which operates a pulp and paper mill. Long-term financing of the mill and related facilities is being provided directly to Boise Southern by outside sources under a sale and lease-back agreement. The Company has guaranteed 50% of the lease payments for these facilities, which approximate $8,210,000 annually through 1993. In addition, the Company has guaranteed annual lease payments of $2,468,000 through 1991 for certain timberlands leased by Boise Southern, and has an indemnification agreement with the co-venturer for 50% of this guarantee.

The Company and its subsidiaries are obligated under other various long-term lease contracts for which aggregate rentals will approximate $28,908,000 in 1972, $27,327,000 in 1973, $24,554,000 in 1974, $21,951,000 in 1975, $19,814,000 in 1976, and lesser amounts thereafter through 2009.

See Note 3 for contingencies related to the Company's realty operations.

Auditors' Report

To the Shareholders of Boise Cascade Corporation:

We have examined the balance sheets of Boise Cascade Corporation (a Delaware corporation) and subsidiaries as of December 31, 1971 and 1970, and the related statements of income and changes in financial position for the years then ended, and the statement of shareholders' equity for the year ended December 31, 1971. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, subject to the adequacy of the investment reserve discussed in Note 5 and subject to any further effect of the litigation referred to in Note 3, the accompanying financial statements present fairly the financial position of Boise Cascade Corporation and subsidiaries as of December 31, 1971 and 1970, and the results of their operations and the changes in financial position for the years then ended, in conformity with generally accepted accounting principles consistently applied during the periods, after giving retroactive effect to the changes in the methods of determining certain inventory costs and accounting for investments in affiliated companies as explained in Note 1.

Seattle, Washington,
March 17, 1972.

Arthur Andersen & Co.

Five-Year Comparison

Boise Cascade Corporation and Subsidiaries

Financial Condition	1971	1970	1969	1968	1967
Assets			(expressed in thousands)		
Current assets	**$ 488,707**	$ 510,024	$ 460,800	$ 467,861	$ 485,321
Less current liabilities	**302,059**	248,092	272,504	262,908	250,163
Working capital	**$ 186,648**	$ 261,932	$ 188,296	$ 204,953	$ 235,158
Realty investment, net	**73,416**	141,047	149,605	96,363	59,807
Timber and timberlands	**123,777**	118,032	77,346	70,603	135,397
Property and equipment, net	**579,164**	524,596	473,775	452,032	477,487
Foreign government notes and bonds	**237,595**	247,521	193,113	200,862	190,401
Other assets	**120,568**	143,822	225,353	213,854	173,658
	$1,321,168	$1,436,950	$1,307,488	$1,238,667	$1,271,908
Financed by					
Long-term debt, excluding realty	**$ 506,836**	$ 497,166	$ 410,843	$ 419,269	$ 500,293
Other liabilities	**21,801**	54,545	38,778	27,883	36,681
Shareholders' equity	**792,531**	885,239	857,867	791,515	734,934
	$1,321,168	$1,436,950	$1,307,488	$1,238,667	$1,271,908

Operations					
Revenues			(expressed in thousands)		
Sales and services	**$1,785,870**	$1,723,730	$1,746,526	$1,545,366	$1,357,810
Other income	**47,010**	57,790	44,632	36,525	30,556
	$1,832,880	$1,781,520	$1,791,158	$1,581,891	$1,388,366
Expenses					
Operating expenses	**$1,830,928**	$1,674,085	$1,626,085	$1,433,496	$1,263,410
Interest expense	**64,222**	56,385	41,407	38,831	35,287
Income taxes	**(25,120)**	17,100	49,980	50,780	36,660
	$1,870,030	$1,747,570	$1,717,472	$1,523,107	$1,335,357
Income (Loss)					
Before security gains and extraordinary charges	**$ (37,150)**	$ 33,950	$ 73,686	$ 58,784	$ 53,009
Security gains	**—**	—	7,960	12,217	10,743
Extraordinary charges	**(48,000)**	—	—	(12,263)	(10,079)
Net income (loss)	**$ (85,150)**	$ 33,950	$ 81,646	$ 58,738	$ 53,673
Income (Loss) Per Share					
Before security gains and extraordinary charges	**$(1.20)**	$1.08	$2.36	$1.92	$1.77
Security gains	**—**	—	.25	.40	.36
Extraordinary charges	**(1.54)**	—	—	(.40)	(.34)
Net income (loss) per share	**$(2.74)**	$1.08	$2.61	$1.92	$1.79

Sales and Services Volumes	1971	1970	1969	1968	1967
Paper (thousands of tons)					
Newsprint	**551**	497	435	401	413
Pulp	**172**	162	—	—	—
Paperboard	**456**	442	215	212	204
Converting papers	**287**	232	236	225	204
Printing and publishing papers	**200**	198	145	147	136
Business papers	**206**	187	170	146	127
	1,872	1,718	1,201	1,131	1,084
Corrugated containers (millions of square feet)	**3,790**	3,724	4,259	3,684	3,172
Bags (thousands of tons)	**57**	63	70	74	74
Cans (millions)	**2,853**	2,681	2,548	2,420	2,055
Envelopes (millions)	**6,103**	5,351	5,104	4,575	4,267
Lumber (millions of board feet)	**912**	799	822	946	896
Plywood and veneer (millions of square feet)	**1,728**	1,260	1,004	1,096	841
Particleboard (millions of square feet)	**103**	69	72	54	40
Insulite building products (millions of square feet)	**517**	488	495	505	437
Single family homes					
Constructed on site	**1,815**	1,727	2,703	1,873	1,297
Manufactured	**9,664**	7,467	6,188	4,882	4,722
Mobile	**22,666**	17,359	19,819	16,576	13,854
Multi-family homes	**3,777**	2,386	3,067	1,703	1,537
Recreation communities (developed acres)	**4,469**	10,156	23,955	19,600	12,900
Mobile home communities (home sites)	**4,648**	1,400	680	443	125
Engineering and construction projects					
Industrial and commercial space (thousands of square feet)	**21,534**	16,928	15,595	9,306	8,000
Electrical generation capacity (thousands of kilowatts)	**4,100**	5,730	2,757	4,768	4,848
Recreational vehicles	**50,492**	40,408	35,265	27,292	23,166
Utilities (thousands of customers)	**434**	405	1,007	948	883
Publishing					
Books (thousands)	**1,734**	847	139	—	—
Magazines (circulation in thousands)	**831**	503	430	254	—

Resources	1971	1970	1969	1968	1967
Timberlands owned in fee (thousands of acres)	**2,372**	2,297	1,968	1,855	1,683
Timber owned and controlled					
Sawtimber (millions of board feet)	**14,100**	13,200	11,900	10,400	10,000
Pulpwood (thousands of cords)	**58,800**	58,700	47,800	47,500	47,100
Number of common shareholders	**69,278**	55,903*	52,998*	21,067*	14,111*
Number of preferred shareholders	**991**	1,028*	1,023*	6,689*	12,611*
Financial Statistics					
Net income (loss) before security gains and extraordinary charges as a percentage of sales and services	**(2.08)%**	1.97%	4.22%	3.80%	3.90%
Net income (loss) before security gains and extraordinary charges as a percentage of shareholders' equity	**(4.69)%**	3.84%	8.59%	7.43%	7.21%
Current assets to current liabilities	**1.6 to 1**	2.1 to 1	1.7 to 1	1.8 to 1	1.9 to 1
Long-term debt to shareholders' equity	**.64 to 1**	.56 to 1	.48 to 1	.53 to 1	.68 to 1
Effective income tax rate, excluding investment credit	**39.33%**	39.47%	42.27%	47.97%	44.25%
Per common share					
Dividends declared					
Cash	**$ .25**	$ .25	$ .25	$ .25	$ .25
Stock	**2%**	2%	2%	2%	—
Shareholders' equity	**$25.26**	$28.88	$28.57	$27.88	$28.70
Average number of common shares outstanding	**31,125,165**	31,076,451	31,160,185	30,530,944	29,762,473
Sales and Services by Market (percent of total)					
Timber and building materials	**26.03%**	19.76%	21.59%	22.96%	20.39%
Paper and packaging	**28.01%**	28.07%	26.07%	27.05%	28.75%
Manufactured and mobile housing	**13.41%**	10.27%	10.17%	9.88%	10.21%
Engineering and construction	**17.80%**	21.97%	17.11%	20.28%	26.40%
Realty	**10.13%**	12.50%	17.22%	12.13%	6.07%
Utilities and miscellaneous investments	**4.62%**	7.43%	7.84%	7.70%	8.18%
	100.00%	100.00%	100.00%	100.00%	100.00%

*As originally reported.

Facilities

Timber and Building Materials Market

Timber and Building Materials Group
Wood Products Division

- Lumber: 20 sawmills — California, Idaho, Minnesota, Oregon, Washington, New Brunswick, Ontario and the Philippines
- Plywood and Veneer: 20 plants — California, Florida, Idaho, North Carolina, Oregon, Virginia, Washington, Colombia and the Philippines
- Wood Beam Plant: Idaho
- Particleboard: 2 plants — Oregon, Colombia
- Fence Plant: California
- Fiberboard Plant: Minnesota
- Lumber Remanufacturing Plant: California

Building Materials and Services Division

- Distribution and Builder Service Centers: 46 units — California, Colorado, Delaware, Idaho, Illinois, Missouri, Montana, North Carolina, Utah, Virginia and Washington
- Kitchen Cabinets: 4 plants — West Virginia

Paper and Packaging Market

Paper Group

Pulp and Paper Mills: 13 mills — Louisiana, Minnesota, Oregon, Vermont, Washington, New Brunswick, Ontario, Guatemala and the Philippines

Paper Distribution Locations: 9 centers — California, Colorado, Florida, Georgia, Illinois, Missouri, New York and Texas

Business Products and Services Group
Envelope Division: 7 plants — Illinois, Michigan, New York, Ohio, Pennsylvania and Texas

Office Supply Division: 22 distribution centers and 20 retail outlets serving cities in California, Colorado, Florida, Georgia, Hawaii, Illinois, Michigan, New Jersey, New York, North Carolina, Ohio, Oregon, Tennessee, Washington, Wisconsin and Guatemala

Bag Division: 4 plants — Oregon, Virginia, Costa Rica and Guatemala

Packaging Group

Corrugated Container Division: 20 plants — Arkansas, California, Colorado, Connecticut, Idaho, Indiana, Minnesota, Missouri, North Carolina, Ohio, Oregon, Texas, Utah, Washington and Austria

Composite Can Division: 18 plants — California, Florida, Georgia, Indiana, Kansas, Missouri, Ohio, Pennsylvania, Tennessee and Texas

Manufactured and Mobile Housing Market

Manufactured Housing Group: 12 plants — Alabama, California, Idaho, Iowa, Ohio, Oklahoma, Utah and Virginia

Metal Buildings Division: 2 plants — Alabama and Ohio

Mobile Housing Group

Mobile Home Division: 24 plants — California, Florida, Georgia, Indiana, Kansas, Michigan, Minnesota, Mississippi, North Carolina, Oregon, Pennsylvania, Texas, Alberta, British Columbia, Nova Scotia, Ontario, Quebec and England

Recreational Vehicles Division: 10 plants — California, Indiana, Iowa, Michigan, Pennsylvania, Ontario, England, France, The Netherlands and Sweden

Engineering and Construction Market

Office space is located throughout the world as necessary to administer active projects, with principal offices located as follows:

Chemical Construction Corporation — New York

Barnard & Burk, Inc. — Louisiana

Ebasco Services Incorporated — New York

Walter Kidde Constructors Incorporated — New York

Power Line Erectors, Inc. — New York

W. A. Chester, Inc. — New York

Tyee Construction Co. — Washington

Vernon Graphics, Inc. — New York

Realty Market

Recreation Communities Group: 23 projects — California, Connecticut, Hawaii, Illinois, Maryland, Pennsylvania and Virginia

Residential Communities Group: 23 projects — California, Illinois, New Jersey, Washington and Washington, D.C.

Urban Housing Group: 16 projects — California, Idaho, Indiana, Louisiana, Ohio, Pennsylvania and Texas

Mobile Home Communities Division: 3 projects — California, Ohio and Oklahoma

Industrial Development Division: 9 projects — California

Other

Publishing: CRM, Inc. — California and New York

Utilities: Ecuador, Guatemala and Panama

Research and Development Centers
Georgia, Idaho, Minnesota, Missouri, New Jersey, Oregon and Washington

Officers and Directors

Board of Directors

Eugene R. Black, Director and Financial Consultant, New York City; Former President of the World Bank; Chairman of the Executive Committee of the Company

James D. Bronson, Investor and Orchardist, Yakima, Washington

James E. Bryson, Farmer, Newberg, Oregon

Frederick L. Deming, President, Independent Bancorporation, Minneapolis; Former Undersecretary for Monetary Affairs of the United States Treasury Department

Robert Faegre, Retired, Former President, Minnesota and Ontario Paper Company, Minneapolis

John B. Fery, Executive Vice President, Boise Cascade Corporation, Boise

Wilbur G. Fienup, Consultant to the Company and former President of the Company's R. C. Can Division, St. Louis, Missouri

R. V. Hansberger, President and Chairman, Boise Cascade Corporation, Boise

Stephen B. Moser, Executive Vice President, Boise Cascade Corporation, Yakima, Washington

Gilbert H. Osgood, Retired Investment Banker, Chicago; Former Chairman, Boise Cascade Corporation

John S. Pillsbury, Jr., Chairman and Chief Executive Officer, Northwestern National Life Insurance Company, Minneapolis

Theodore H. Smyth, Investor, Santa Barbara

Hall Templeton, Investor, Portland

E. R. Titcomb, President, Rodman Industries, Inc., St. Paul

Joseph L. Weiner, Attorney, New York City

Leo D. Welch, Director and Consultant, New York City; Former Chairman of the Board of Communications Satellite Corporation (COMSAT)

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President and Chairman

John B. Fery,
Executive Vice President

Stephen B. Moser,
Executive Vice President

William M. Agee,
Senior Vice President

Juan del Valle,
Senior Vice President

Edward W. Hughes,
Senior Vice President

Jon H. Miller,
Senior Vice President

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Senior Vice President

Robert L. Bonaparte,
Vice President

***Jack C. Clayton,**
Vice President

Edward W. Cleary,
Vice President and Treasurer

John E. Clute,
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William H. Colquhoun,
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Vern L. Gurnsey,
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***George E. McCown,**
Vice President

***Peter S. O'Neill,**
Vice President

Gordon C. Randall,
Vice President

***Alice E. Hennessey,**
Secretary

***Will M. Storey,**
Comptroller

General Offices: Boise, Idaho

Transfer Agents:

Common Stock

The Chase Manhattan Bank (National Association), New York
The First National Bank of Chicago
Bank of America NT & SA, San Francisco

Preferred Stock

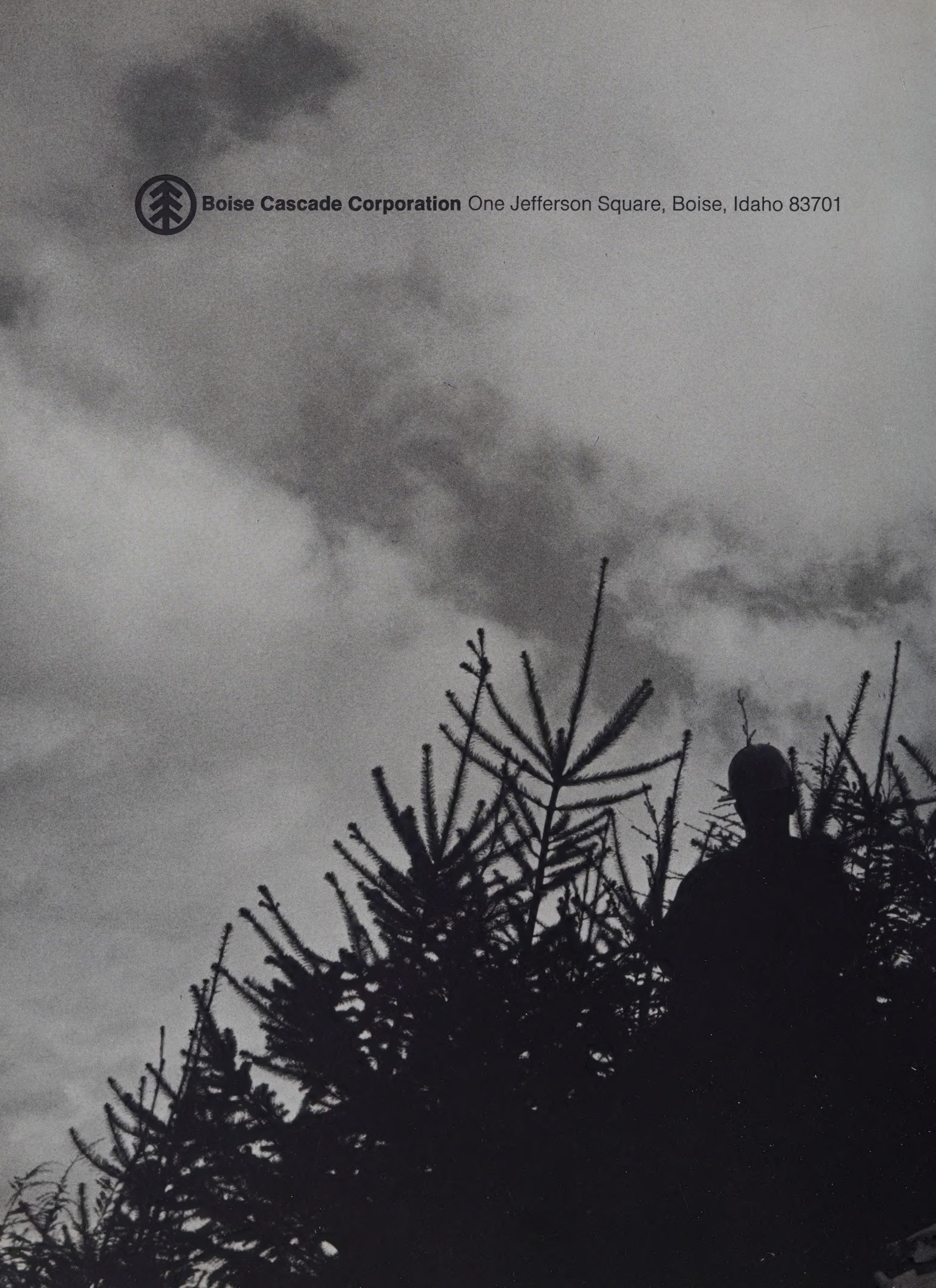
The Chase Manhattan Bank (National Association), New York

Auditors:

Arthur Andersen & Co.

**Elected since last annual report*

(Cecil Taylor, Vice President, and L. W. Harris, Jr., Secretary, retired in 1971.)


Boise Cascade Corporation One Jefferson Square, Boise, Idaho 83701